

## Message Text

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ORIGIN STR-07

INFO OCT-01 ARA-10 IO-13 ISO-00 EB-08 LAB-04 COME-00  
AGRE-00 CEA-01 CIAE-00 DODE-00 FRB-03 H-01 INR-10  
INT-05 L-03 NSAE-00 NSC-05 PA-01 CTME-00 AID-05  
SS-15 ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01  
DOE-15 /124 R

DRAFTED BY STR/JGREENWALD/CCS  
APPROVED BY STR/JGREENWALD  
STR:JGREENWALD  
STATE:WBARRACLOUGH  
LABOR:GPRATT  
COMMERCE:FMONTGOMERY  
-----006971 291920Z /44  
P 291850Z AUG 78  
FM SECSTATE WASHDC  
TO USMISSION GENEVA PRIORITY  
AMEMBASSY BRASILIA PRIORITY

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US MTN

E.O. 11652: N/A

TAGS: MTN, ETRD

SUBJECT: DISCUSSION WITH BRASILIANS ON MTN

1. ON WEDNESDAY, AUGUST 23, INTERAGENCY TEAM LED BY DAS  
BARRACLOUGH MET WITH BRAZILIAN TEAM HEADED BY BOTAFOGO  
TO REVIEW STATUS OF MTN.

2. BRAZILIANS INDICATED THAT, UPON THEIR RETURN TO BRASILIA,  
THEY WOULD BEGIN FULL INTERNAL REVIEW OF MTN AND, IN THIS  
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CONNECTION, WOULD BE REVIEWING THE VALUE OF THE U.S. OFFER  
AND THE POSSIBILITY OF A MORE FORTHCOMING RESPONSE TO  
OUR REQUESTS. IN PARTICULAR, BOTAFOGO INDICATED THAT THE  
RE MAY BE SCOPE FOR IMPROVEMENT IN THE BRAZILIAN OFFER  
ON AGRICULTURE. THE U.S. SIDE INDICATED THAT, PRIOR  
TO RESUMING DISCUSSIONS IN GENEVA, WE WOULD BE REEXAMINING  
THE BRAZILIAN OFFER. HOWEVER, THE NEED FOR IMPROVEMENT

BY BRAZIL -- PARTICULARLY IN AGRICULTURE -- WAS STRESS-ED.

COMMENT: WHILE BOTAFOGO WILL EVIDENTLY BE LOOKING FOR POSSIBLE IMPROVEMENTS IN THE BRAZILIAN OFFER, HE PUT A HEAVY EMPHASIS ON THE "DIFFICULTIES" INVOLVED. ALSO, HE DREW A LINK BETWEEN FLEXIBILITY ON TARIFFS AND DEVELOPMENTS IN KEY AREAS FOR BRAZIL SUCH AS SUBSIDY LEVEL AND SAFEGUARDS.

THE PLEDGE TO REEXAMINE THE OFFER DOES NOT MEAN THAT THE IMPROVEMENTS THE U.S. SEEKS WILL BE MADE. FOR ITS PART, THE US SIDE CLEARLY SUGGESTED THAT WITHOUT IMPROVEMENTS, WE COULD NOT MAINTAIN OUR OFFER.

3. THERE WAS ALSO DETAILED DISCUSSION OF SAFEGUARDS. BOTAFOGO NOTED UNIFORM LDC OPPOSITION TO THE EC POSITION ON SELECTIVITY AND SPECULATED THAT, IN THE EVENT OF A CODE WHICH INCORPORATED EC VIEWS, THE LDCS MIGHT BE BETTER OFF OUTSIDE THE CODE. HE ADDED THAT, UNLIKE SUBSIDIES WHERE LDC OPPOSITION WAS NEITHER UNIFORM NOR AS STRONG, BRAZIL WAS NOT IN A POSITION TO TAKE THE LEAD IN TRYING TO WORK OUT AN AGREEMENT ON SAFEGUARDS.

4. NEVERTHELESS, BRAZIL IS INTERNALLY REVIEWING ITS POSITION ON SELECTIVITY AND, IN THIS CONNECTION, BOTAFOGO SOUGHT ON AN INFORMAL BASIS OUR VIEWS ON THE SORTS OF LIMITED OFFICIAL USE

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CHECKS AGAINST ABUSE THAT MIGHT BE POSSIBLE. THEY INCLUDE --SELECTIVE ACTION TO BE A CLEAR EXCEPTION; STRICTER CRITERIA FOR INJURY (I.E., SELECTIVE ACTION NOT USED IN THE CASE OF THREAT); IMPORTS TO BE "PRINCIPAL CAUSE" OF INJURY; EXPORTER MUST AGREE TO SELECTIVE ACTION, AND IF NO NEGOTIATED SOLUTION, REMEDY MUST BE MFN; NO PROVISIONAL SELECTIVE ACTION. ALSO, BOTAFOGO REFERRED TO THE POSSIBILITY OF SOME LDCS PRESSING FOR DIFFERENTIAL TREATMENT WITHIN SELECTIVITY.

5. THE U.S. SIDE URGED THAT BRAZIL AND OTHER LDCS TAKE AN ACTIVE ROLE IN THE SAFEGUARDS TALKS. BOTAFOGO WAS TOLD THAT U.S. ABILITY TO HOLD THE LINE WOULD BE ENHANCED BY LDC PARTICIPATION AND SUPPORT. HE REPLIED THAT IF SELECTIVITY IS TO COME, THE BRAZILIANS WILL WANT TO BE INVOLVED IN THE SHAPING OF IT.

6. BOTAFOGO WILL BE IN GENEVA WEEK OF SEPTEMBER 11 AND WILL (A) BE READY TO CONTINUE REQUEST/OFFER NEGOTIATIONS AND (B) WILL PRESUMABLY BE CARRY TO GENEVA NEW GOB POSITION ON THE RANGE OF ISSUES UNDER NEGOTIATION.

7. AT CLOSE OF MEETING, BOTAFOGO INDICATED THAT CONTINUATION OF U.S./BRAZIL BILATERAL TALKS PARTICULARLY ON SUBSIDY/CVD AND SAFEGUARDS (NOTE - BRAZIL WILL PRESUMABLY BE IN A POSITION TO GIVE THE SPECIFICS OF THEIR POSITION ON SAFEGUARDS) PRIOR TO INTRA-LDC COORDINATION SESSIONS IN GENEVA (I.E., PRIOR TO SEPTEMBER L0) WOULD BE DESIRABLE. DORNELLES HAD SAID THE SAME EARLIER. WE INDICATED A WILLINGNESS TO GET TOGETHER AGAIN WHEN AND WHERE REQUESTED BY BRAZIL. CHRISTOPHER

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** NEGOTIATIONS, TRADE AGREEMENTS, TARIFF SCHEDULES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 29 aug 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Expiration:**  
**Film Number:** D780352-1138  
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**Message ID:** a0c9f759-c288-dd11-92da-001cc4696bcc  
**Office:** ORIGIN STR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
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**Previous Handling Restrictions:** n/a  
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**Review Withdrawn Fields:** n/a  
**SAS ID:** 1585933  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** DISCUSSION WITH BRASILIANS ON MTN  
**TAGS:** ETRD, US, BR, MTN  
**To:** GENEVA BRASILIA MULTIPLE  
**Type:** TE  
**vdkgvwkey:** odb://SAS/SAS.dbo.SAS\_Docs/a0c9f759-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
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